

Amend Section 42-207 to read:

42-207 PROPERTY WHICH MAY BE RETAINED BY AN APPLICANT 42-207

- .1 An applicant or recipient AU may retain countable resources in an amount equal to the amount allowed in the ~~Food Stamp~~ CalFresh regulations at Manual of Policies Procedures Section 63-1401. The value of real and personal property including resources not excluded elsewhere by regulations, owned by a CalWORKs FG/U family shall not exceed the ~~Food Stamp~~ CalFresh resource limit. If the limit is exceeded, the family or child is ineligible.

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- .2 ~~Food Stamp~~ CalFresh regulations at Manual of Policies and Procedures Section 63-1401.1 allows retention of ~~\$3,000~~ \$3,500 for an AU which includes at least one member aged 60 or older or a disabled member, and ~~\$2,000~~ \$2,250 for all other AUs. These limits may change in accordance with changes in ~~Food Stamp~~ CalFresh resource limits.

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Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

Amend Section 42-213 to read:

42-213 PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)

.1 (Continued)

.2 ~~Personal Property and Vehicles to Be Excluded:~~ The county shall determine personal property items ~~and vehicles~~ to be excluded in evaluating property in accordance with methods established under the CalFresh Program (see CalFresh regulations at Manual of Policies and Procedures Sections 63-501.3, ~~.52, and .53~~) ~~except as noted below.~~ In addition to the property exclusions allowed under CalFresh rules, CalWORKs specifically exempts the following:

.21 401(k), 403(b), 457, 529, IRA and ESA accounts shall be excluded for CalWORKs recipients.

.22 401(k), 403(b) and 457 accounts shall be excluded for CalWORKs applicants.

.23 Restricted accounts shall be excluded for CalWORKs recipients.

.231 Restricted Accounts

(a) General (Continued)

(1) Additional Funds

The funds shall be in addition to the ~~\$2,000~~ 2,250 property limit specified in Section 42-207.2

(b) Written Agreement (Continued)

(1) Advice

The written agreement shall include a statement which advises recipients to first retain resources close to the ~~\$2,000~~ 2,250 limit to pay for unexpected expenses or emergencies before they enter into a written agreement.

(c) - (l) (Continued)

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(m) Examples

(1) Example 1: (Continued)

Example 2: (Continued)

(SAR) (Continued)

(AR/CO) (Continued)

(A) The AU wants to buy new furniture and withdraws all of their funds from their accounts, including the restricted account, to pay for the purchases in May. The county determines that the AU made a nonqualifying withdrawal.

(B) Although the AU's total property reserve prior to the nonqualifying withdrawal is under the ~~\$2,000~~ 2,250 property limit, the county will calculate a period of eligibility as follows:

1. Balance prior to nonqualifying withdrawal in May \$1,100
2. Divide by current MBSAC for AU of 2* (~~\$968~~ 1,027)
3. Result is the number of months \$1.0633
4. Round down to nearest whole number 1
For number of months of ineligibility

*MBSAC for AU of 2 (Region 2)=\$1,027; MBSAC amounts are subject to change.

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(n) - (p) (Continued)

.24 All personal property and motor vehicles of non-minor dependents shall be excluded.

.25 For all motor vehicles, refer to Section 42-215.4

.3 - .519 (Continued)

Authority Cited: Sections 10553, 10554, 10604, and 11155.2, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11155, 11155(b), 11155.2, 11155.5, 11253.3(a), 11257, 11265.1, 11265.2, 11450, and 11450.5, 11452, 11453, and 18900.2(a), Welfare and Institutions Code; Supplemental Nutrition Assistance Program (SNAP) Administrative Notices 17-30, 14-55 and 14-56; The Food, Conservation, and Energy Act of 2008, Sections 5(g) and 4104(B); Sidwell v. McMahon, United States District Court (E.D. Cal.) May 7, 1990, civil no. S-89-0445; Public Laws 97-458, 98-64, ~~and~~ 103-286, and 110-246; The Food Conservation and Energy Act of 2008, Section 4104(B); and Federal Action Transmittal 91-23, 45 CFR 233.20(a)(3)(i)(B); Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 42-215 to read:

42-215 DETERMINING VALUE OF PROPERTY

42-215

.1 - .34 (Continued)

.4 Determination of Motor Vehicle Value: The county shall determine the value of motor vehicles in conformance with methods established below.

.41 ~~Fair Market Value of Vehicles Verification~~ Equity Value of Motor Vehicles

.411 ~~The fair market value of automobiles, trucks and vans shall be determined by the value of those vehicles as listed in publications written for the purpose of providing guidance to automobile dealers and loan companies. Publications listing the value of vehicles are usually referred to as "blue books". The CWD shall insure that the blue book used to determine the value of vehicles has been updated within the last six months. The CWD shall assign the wholesale value to vehicles. If the term "wholesale value" is not used in a particular blue book, the CWD shall assign the listed value which is comparable to the wholesale value. The CWD shall not increase the basic value of a vehicle by adding the value of low mileage or other factors such as optional equipment or special equipment for the handicapped. If a new vehicle is not yet listed in the blue book, the CWD shall determine the wholesale value through some other means, such as contacting a car dealer which sells that make of vehicle and asking how much the dealership would offer the household for the car. All motor vehicles that are not exempted under Section 42-215.431 that have an equity value of \$9,500 or less shall be exempt. Any equity value that exceeds \$9,500 shall be counted towards the AU's CalWORKs resource limit.~~

.412 ~~To determine the most appropriate value of a vehicle, the CWD shall obtain from the applicant and/or the vehicle's registration card, the vehicle's year, make, model, and number of doors. If the information for these four items is incomplete, the CWD shall use the lowest blue book value listed to the extent that the vehicle has been identified. Applicants and recipients shall be allowed to self-certify the Fair Market Value (FMV) of all motor vehicles in the AU, as well as any encumbrances. To self-certify a motor vehicle's FMV and encumbrances, applicants, and recipients will be required to complete and submit to the CWD a Self-Certification Form for Motor Vehicles (CW 80 form) or complete the motor vehicle section of the appropriate statement of facts.~~

.413 ~~A household may indicate that for some reason, such as body damage or inoperability, a vehicle is in less than average condition. Any household which claims that the blue book value does not apply to its~~

~~vehicle shall be given the opportunity to acquire verification of the true value from a reliable source. Also, households shall be asked to acquire verification of the value of licensed antique, custom made, or classic vehicles, if the CWD is unable to make an accurate appraisal. If a vehicle is no longer listed in the blue book, the household's estimate of the value of the vehicle shall be accepted, unless the CWD has reason to believe the estimate is incorrect. In that case, and if it appears that the vehicle's value will affect eligibility, the household shall obtain an appraisal or produce other evidence of its value, such as a tax assessment or a newspaper advertisement which indicates the amount for which like vehicles are being sold. If the motor vehicle is exempt, as provided in Section 42-215.431, the client is not required to declare the FMV of the motor vehicle or amount owed for the vehicle.~~

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.42 ~~Handling of Unlicensed Vehicles~~ Self-Certification Form for Motor Vehicles - CW 80

~~The value of unlicensed vehicles shall be their equity value, unless an exemption applies. The equity value is the fair market value less encumbrances. The CW 80 form is a required form that will be used by recipients to:~~

- ~~(a) Self-certify the FMV and encumbrances, if any, of their motor vehicle(s).~~
- ~~(b) Identify if the motor vehicle meets one of the exemptions in Section 42-215.431.~~

~~The CWD will use the information on the CW 80 form or the motor vehicle section of the appropriate statement of facts to determine the equity value of all motor vehicles and how much value to count towards the AU's resources level.~~

~~The CW 80 form must be submitted when the AU reports on the SAR 7 that they have acquired a new motor vehicle. The same information is also collected at initial application and at each annual redetermination.~~

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.43 ~~Handling of Licensed~~ Motor Vehicles.

~~The value of licensed all motor vehicles shall be the greater of the fair market value as provided in Section 42-215.44, or the equity value as provided in Section 42-215.45, unless an exemption applies as provided in Section 42-215.431.~~

.431 The entire value of any licensed motor vehicle shall be exempt if any of the following apply:

(a) - (d) (Continued)

(e) It is necessary to transport a physically disabled family member, including an excluded disabled family member, regardless of the purpose of the transportation.

Example:

(1) If the physical disability of the individual is not evident to the eligibility worker, verification shall be required.

(2) The individual shall be required to provide a statement from a physician certifying that the individual is physically disabled. The disability may be temporary or permanent.

(3) There shall be a limit of one motor vehicle per physically disabled household member.

(4) The motor vehicle need not have special equipment or be primarily used by or for the transportation of a physically disabled household member. However, a motor vehicle shall be considered necessary for the transportation of a physically disabled household member if the motor vehicle is specially equipped to meet the specific needs of the disabled person or if the motor vehicle is a special type of motor vehicle that makes it possible to transport the disabled person.

(f) It would be exempted under any of Sections 42-215.431(a) through (d), inclusive, but the motor vehicle is not in use because of temporary unemployment, such as when a taxi driver is ill and cannot work, or when a fishing boat is frozen in and cannot be used.

(g) (Continued)

(h) ~~The equity value of the vehicle is one thousand five hundred and one dollars (\$1,501) or less. Ownership of the motor vehicle was transferred through a gift, donation, or a family transfer, as defined by the Department of Motor Vehicles.~~

~~.44 Each licensed vehicle that is not exempted under Section 42-215.431 shall be individually evaluated for fair market value, and any portion of the value that exceeds four thousand six hundred fifty dollars (\$4,650) shall be attributed in full market value toward the family's resource level, regardless of any~~

~~encumbrances on the vehicle, the amount of the family's investment in the vehicle, and whether the vehicle is used to transport family members to and from employment. Each vehicle shall be appraised individually. The fair market value of two or more vehicles shall not be added together to reach a total fair market value in excess of the current vehicle exclusion limit.~~

~~.441 For example, a household owning an automobile with a fair market value of \$5,500 shall have the current vehicle exclusion limit (\$4,650 as of October, 1996) excluded and \$850 applied toward its resource level.~~

~~.45 Licensed vehicles shall also be evaluated for their equity value, except for the following:~~

~~.451 Vehicles excluded by Section 42-215.43.~~

~~.452 One licensed vehicle per adult family member, regardless of the use of the vehicle.~~

~~.453 Any other licensed vehicle driven by a household member under 18 years of age (or an ineligible noncitizen or disqualified household member under age 18 whose resources are being considered available to the household) to commute to and from employment, or to and from training or education which is preparatory to employment, or to seek employment. The equity exclusion applies during temporary periods of unemployment, to a vehicle which a member under age 18 customarily drives to commute to and from employment.~~

~~.446 In the event a licensed vehicle is assigned both a fair market value in excess of the vehicle exclusion limit as specified in Section 42-215.441 and an equity value, only the greater of the two amounts shall be counted as a resource. Any equity value of a motor vehicle that is not exempted as specified in Section 42-215.43 and in excess of the \$9,500 motor vehicle asset limit will be counted as a resource attributable toward the AU's \$2,250 (or \$3,500 for families with a member who is age 60 or older or disabled household member) maximum resource limit.~~

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~~.4461 When computing the value of a licensed motor vehicle which has not been totally excluded or is not equity exempt, determine both the FMV and the equity value of the motor vehicle. The larger of the two values is considered the resource value and which is the FMV amount of the motor vehicle less the encumbrances (amount owed) if any. The larger of the two values is considered the resource value and When the~~

remaining equity value amount is greater than the motor vehicle asset limit, the excess amount is counted in the resource limit.

Example: ~~The greater of the two amounts is counted as resource.~~ Computation of equity value of a non-exempt motor vehicle.

Computation of FMV	Computation of Equity Value
\$5,000 — FMV	\$519,500 FMV
-4,650 — Exclusion Limit	- 39,250 Amount Owed
\$ 350 — Excess FMV	\$ 10,250 Equity Value

~~The greater of the two amounts remaining to be considered as a resource is \$1750 equity value is \$10,250 which is greater than the motor vehicle asset limit of \$9,500. The excess amount of \$750 is counted against the AU's maximum resource limit.~~

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.457 Steps in Evaluating Motor Vehicles

.4571 **Step One**

Determine if any motor vehicle in the household is excludable as a resource. Motor ~~V~~ehicles in this category include those that are:

(a) - (g) (Continued)

(h) Transferred as a gift, donation, or family transfer.

If none of the motor vehicles in the household are categorized as excludable from resource consideration, or there are remaining motor vehicles left to be evaluated after others have been determined excludable, go to Step 2.

.4572 **Step Two**

Exclude any motor vehicle from Step One licensed or unlicensed, that is an inaccessible resource (a vehicle that will not produce an estimated return of more than \$1,500). Evaluate each non-excludable motor vehicle ~~Valuation of an inaccessible vehicle is required at initial application, and when a new vehicle is reported the AU reports on the SAR 7 that the household has acquired a new motor vehicle, and at each annual redetermination. Reevaluation is required only at redetermination.~~

.473 **Step Three**

~~Of the remaining licensed vehicles, determine the number of adult household members and exempt one vehicle each from the equity valuation. The FMV must be calculated, and the excess FMV is considered as a countable resource. Adult household members also include ineligible noncitizens or disqualified family members whose resources are considered available to the AU.~~

~~Then, determine if any of the remaining licensed vehicles in the family are used by a teenager under age 18 to drive to work, school, job training, or to look for work. If there is a vehicle used by a teenager for any of these purposes, it is exempt from the equity value, but must be evaluated for FMV. The excess FMV is considered a countable resource. Family members under the age of 18 also include an ineligible noncitizen or disqualified household member under age 18 whose resources are considered available to the AU.~~

~~.474~~ **Step Four**

~~For any remaining motor licensed vehicles, compute the FMV and the equity value. Use the greater of the excess FMV or equity value as the countable resource value.~~

~~.45375~~ **Step Five Three**

For any remaining unlicensed motor vehicles compute the equity value of each and use the resultant amount as a countable resource value.

Add the values of the above values to arrive at the total motor vehicle resource value.

~~.468~~ The exclusions for motor ~~licensed~~ vehicles as specified in Section 42-215.431 shall also apply to:

~~.4681~~ motor ~~unlicensed~~ vehicles on those Indian reservations that do not require motor vehicles driven by tribal members to be licensed;

~~.4682~~ motor ~~licensed~~ vehicles used by ineligible noncitizens or disqualified persons whose resources are considered available to the family.

.5 (Continued)

.6 (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063, 10554, 11155, and 18901.9 (Ch. 743, Stats. of 2003), Welfare and Institutions Code; and Federal Register Volume 68, No. 168, Page 51933 published on August 29, 2003.

Amend Section 42-221 to read:

42-221 TRANSFER OF PROPERTY OR INCOME (Continued)

42-221

.1 The receipt of aid shall not limit or restrict a recipient's right to give, receive, sell, exchange, or change the form of property. A period of ineligibility (POI) shall result when a recipient AU gives away or transfers, for less than fair market value (FMV), nonexcluded property (including cash) that would cause the AU to exceed its eligibility for cash aid. (See Section 42-207 for property limits.)

.2 Property (Continued)

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.3 Example: While on aid a recipient AU of two persons inherits a parcel of real property with a FMV of \$1,300. The value of this inherited property, when added to other (~~\$1,400~~\$2,050) countable property held by the AU, causes the AU to exceed the allowable property limit (~~\$2,000~~\$2,250). The AU sells the parcel for \$100, which is less than its \$1,300 fair market value.

.31 Computation Factors:

\$1,300	FMV of the parcel of real property
+ 1,400 <u>\$2,050</u>	Property held by the AU
<u>\$2,700</u> <u>3,350</u>	
- \$2,000 <u>2,250</u>	AU property limit. (See Section 42-207.)
<u>\$ 700</u> <u>1,100</u>	Amount in excess of the property limit
\$1,300	FMV of the parcel of real property
<u>- 100</u>	Amount actually received by the AU for the real property
\$1,200	Difference between the FMV and the amount received for the property.

~~\$71,100~~ is less than the \$1,200 difference between the FMV and the amount received for the transferred property.

~~\$71,100~~ divided by ~~\$6241,029~~70 current MBSAC for AU of 2* = ~~1.036~~12 months

POI = 1 month (rounded down from ~~1.036~~12 months) of ineligibility

*MBSAC for AU of 2 = ~~\$6241,029~~70; MBSAC amounts are subject to change.

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.4 (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11155(a), 11155.2, 11157.5 (Ch. 270, Stats. of 1997 and Ch. 902, Stats. of 1998), 11265.1, 11265.2, 11265.3, 11450(a)(1), 11452 and 11453, and 11450.5, Welfare and Institutions Code; Administrative Notices 14-55 and 14-56; The Food, Conservation, and Energy Act of 2008, Sections 5(g) and 4104(B).

Amend Section 80-310 to read:

80-310 DEFINITIONS FORMS

80-310

The following forms apply to the regulations in Divisions 40 through 50 and 80 through 89.

(a)

(AR/CO) (1) AR2 through (c) (9) CW25A (Continued)

(10) CW 29

The "Applicant Test" (Rev. 1/13) is used to determine if the applicant is eligible for Cash Aid. This form replaces the QR 29.

(11) CW 30

The "CalWORKs Budget Worksheet" (Rev. 4/13) is used to determine the aid payment amount for the AU. This form replaces the QR 30.

(12) CW 42

The "Statement of Facts – Homeless Assistance (Rev. 11/06)" is used to gather information to determine eligibility for non-recurring special need for homeless assistance. This form replaces the CA 42.

(13) CW 80

The "Self-Certification Form for Motor Vehicles – CalWORKs" (Rev. 2/18), Required (Substitutes Permitted), is used to allow recipients to identify and self-certify the value of motor vehicles for determining the Assistance Unit's (AU's) resource eligibility for CalWORKs.

(14~~3~~) CW 371

The "Referral to Local Child Support Agency (LCSA)" (Rev. 7/01) is used to refer cases to the Local Child Support Agency for child support enforcement purposes. This form replaces the CA 371.

(15~~4~~) CW 2103

The "Reminder for Teens Turning 18 Years Old" (Rev. 2/13) is used to inform recipient children who will be turning 18 within 60 days of the requirements for continued eligibility. This form replaces the QR 2103.

(165) CW 2211

The "Your CalWORKs Reporting Rules Have Changed" (9/13) form is used to inform recipients when their case is moving from SAR to AR/CO. It includes a description of the basic differences between the two reporting systems and describes the mandatory reporting requirements under AR/CO.

(176) CW 2212

The "The Rules for Your CalWORKs Case Have Changed" (9/13) form is used to inform recipients when their case is moving from AR/CO to SAR. It includes a description of the basic reporting requirements under SAR.

(d) (1) DHS 6110

(Continued)

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: 45 CFR 206.10(a)(8); Sections 10553, 10950, 11054, 11265.1, 11265.2, 11265.3, 11450(b), 12300, 12300.2, 12304, 12304.5, and 14132.95, Welfare and Institutions Code; Judgment Re: Tyler v. Anderson, Sacramento Superior Court Case No. 376230, dated January 22, 1999; 8 USC Section 1631; and 1798.17, Civil Code.